

## **Utah Department of Commerce**

### **Internal Scan**

The increase in Utah's aging population will affect the Department of Commerce in at least four ways: investigations of elder fraud, retirements of licensed professionals, public utilities rate issues, and retirements of Department employees.

The Department investigates elder fraud in multiple areas, including real estate and mortgage fraud, securities and investment fraud, fraud or unprofessional conduct by licensed professionals, and general consumer protection issues. Elder fraud investigations fit within the general fraud investigations conducted within the Department. As the aging population increases, the Department will ensure that investigators receive sufficient training on issues unique to elder fraud.

As more licensed professionals retire, shortages may develop within the professions. The Department is not directly responsible to take action to mitigate professional shortages, but must respond to licensing issues that relate to shortages. Schools and employers may look for innovative ways to recruit new professionals. The Department will work with these industries to ensure that the Department is accommodating those needs to the extent possible while upholding the appropriate legal requirements.

Rates for public utilities affect all Utah consumers, but have an even more significant effect on the elderly population who generally do not have significant increases in income after retirement. The Department must continue to ensure that in rate cases the interests of the elderly population are considered and represented by the Division of Public Utilities and the Committee of Consumer Services.

The Department can expect increased retirements as the elderly population increases. The Department must ensure that as many personnel as possible are familiar with the duties of other personnel to avoid the loss of institutional knowledge as employees retire. Some loss is inevitable, but continued evaluation of responsibilities and assignments will mitigate the loss.

The issues described above have been a part of the Department priorities, and will continue to be. Recently, the Department has made particular efforts to educate the elderly population on investment and consumer fraud. Department employees have given educational presentations throughout Utah to groups organized by AARP. Additionally, the Department has partnered with AARP, other state agencies, and media organizations to create documentaries and public service announcements to educate the elderly population on fraud issues.

Over the next two years the Department will continue to address the issues and priorities already discussed. The primary area in which the Department will collaborate

with other agencies will be educational campaigns. Results can be monitored through the following indicators:

- Fraud and unprofessional conduct complaints filed with the Department by elderly citizens
- Restitution received by victims of elder fraud
- Attendees at consumer education seminars
- Coverage of elder fraud documentaries and public service announcements
- Numbers of licensed professionals, and changes in those numbers in context of changes in general population, and changes in elder population
- Licensees who allow their licenses to lapse or expire
- Department retirements
- Identification of employees who are familiar with the duties and responsibilities of retiring employees
- Consumer feedback received from elderly citizens on public utilities rate cases
- Amounts of savings in utility rate cases as a result of actions by the Division of Public Utilities and the Committee of Consumer Services

## **Prioritization**

Two overarching aging issues affecting the Department of Commerce are elder fraud and public utilities rate issues.

**Elder Fraud:** The elderly are an attractive target for those perpetuating fraud for several reasons. The elderly often have assets available that make an attractive target, and some elderly feel reluctant to speak with family members when they begin to suspect fraud. It is a particularly significant issue because while the elderly sometimes have more assets on hand, their ability to recover losses is significantly more limited. The Department chose this issue because it affects so many areas within Commerce. The Divisions of Consumer Protection, Securities, Real Estate, and Occupational and Professional Licensing all deal with the issue to some degree.

**Public Utilities Rate Issues:** Public Utilities rate issues are important to all residents of Utah, but they are a particular concern to the elderly. One reason is that the elderly often do not experience the same kind of regular income level increases that other segments of the population may receive more regularly. Because of that, the same increase in public utility rates will impact the elderly more than other population segments. Additionally, the elderly are more susceptible to health consequences from reducing utility use and keeping their homes at less hospitable temperatures. The

Department chose this issue because it is such a crucial public safety and welfare issue, and because it is a primary mandate of both the Division of Public Utilities and the Committee of Consumer Services.

## **Planning**

### **Priority Issue #1: Elder Fraud**

By January 2009, the Department hopes to see a greater awareness within both the elderly and general populations of Utah of the existence of elder fraud, warning signs, ways to avoid elder fraud, and appropriate steps to take if victimization already has occurred. The Department also hopes to see continued enforcement actions taken against perpetrators of elder fraud.

#### **Actions:**

- The Department must continue to coordinate with groups such as AARP of Utah to present informational seminars throughout the state.
- The Department must continue to evaluate the most effective use of its resources to prepare and distribute educational materials and public service announcements.
- The Department must continue to issue press releases and maintain the kind of relationship with the news media so that adequate coverage is given to elder fraud enforcement cases.
- The Department must continue to aggressively investigate elder fraud, taking administrative action when appropriate and coordinating criminal prosecution with state and local law enforcement agencies for more egregious cases.

#### **Results:**

- The Department should see an increase in informational seminars presented and the number of attendees.
- The Department should see an increase in the amount of educational materials prepared and distributed.
- The Department should see an increase in media coverage of elder fraud cases.
- The Department will continue to monitor enforcement cases, administrative fines collected, and criminal charges filed. However, this assessment is more difficult to quantify. If educational and media efforts are successful, then ideally the amount of elder fraud, and thus the amount of enforcement actions, should decrease. At the same time, the Department must ensure it is zealously pursuing all appropriate enforcement actions. The Department should continue to monitor

the results of its enforcement actions, and make every effort to determine the causes of any significant variances.

## **Priority Issue #2: Public Utilities Rate Issues**

The Department hopes all utility rate increases that occur between now and January 2009 are fully scrutinized and supportable.

### **Actions:**

- The Division of Public Utilities and the Committee of Consumer Services will continue to perform their independent duties to ensure all constituencies are adequately represented in each utility rate increase.

### **Results:**

- Each utility rate increase should represent only what is necessary to enable the utility company to maintain consistent and reliable service.
- Rate design issues will be thoroughly scrutinized in each rate case to determine whether the appropriate segments of the population (industrial, commercial, residential, low-income, etc.) are bearing the appropriate share.
- Compliance audits will ensure that utility companies abide by all negotiated terms.